

## **Applying Some Modern Migration Theories in the World to Migrant Management in Vietnam**



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**ABSTRACT:** The study of migration in the world has only just begun in the period of capitalist development in the West with many different theories. Modern migration theories have been studied and applied in the process of developing migration management policies of many countries around the world.

Like other countries, migration in Vietnam is a regular socio-economic phenomenon, a component associated with the development process. Under the impact of globalization, differences in living standards, income differences, employment opportunities, and access to social services are more clearly expressed, and become the main causes of current domestic and foreign migration flows. Migration management in Vietnam today is an important issue of concern to the Party and State in building and developing the country.

The article researches and analyzes a number of typical migration theories in the world, in which focuses on clarifying two basic theories, the "Dual Sector" theory of Arthur Lewis and the "Expected Income Model" of Harris-Todaro are two migration theories that explain very specifically the causes of labor migration from rural to urban areas and from one country to another. On that basis, the article analyzes the perspectives and orientations in applying these theories to migration management in Vietnam.

**KEYWORDS:** immigration, immigration theory, immigration management, Vietnam

### **1. INTRODUCTION**

Migration is a normative issue, the selection of theories around the world must address the origin and motivation of the migration problem to answer the questions:

- Why do people migrate?
- What factors affect migration?
- Types of migration?

In today's society, migration is not simply for the purpose of improving living conditions (jobs), but is also influenced by many cultural, ethnic, religious factors, etc. Therefore, choosing theory also requires resolving the relationship between the above issues. From many immigration theories in the world, we choose to study the following two basic theories:

#### **1.1. Arthus Lewis's "Dual Sector"**

In 1954, Arthus Lewis proposed the "Dual Sector" theory to explain the movement of labor from agriculture to industry in a newly industrialized country. This is the most popular of all job creation models with specific relevance to developing countries. This model is a general theory for the development process of countries with a surplus of labor. In this model, the author assumes that there are only two sectors in the economy:

+ *In the traditional rural economic sector* with manual labor prevalent, there exists a lot of surplus labor characterized by very low marginal labor productivity (almost zero). Therefore, it is possible to withdraw labor from traditional rural areas without decreasing agricultural output.

+ *Modern industrial urban areas* with a concentration of modern manufacturing and processing industries have higher labor productivity, so they have higher salaries than agricultural economic areas. At the same time, this is also an area that needs more labor to serve the pace of production development.

Because agricultural production is limited in terms of productive land area, the marginal productivity of rural labor is assumed to approach zero according to the law of "diminishing marginal returns". As a result, in the agricultural sector there exists a number of workers who do not contribute to increasing agricultural output since their marginal product is zero. This group of farmers is the source of "surplus labor" in the agricultural sector. Therefore, the transfer of this surplus labor force to other production sectors will not affect the output of the agricultural sector in rural areas.

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If the number of workers moving from agriculture to other productive sectors equals the number of "surplus workers" in the agricultural sector, overall welfare and productivity will improve. Total agricultural product will remain unchanged while total industrial product increases due to the addition of labor.

When all the "surplus labor" in the countryside is attracted to the new industry, at this time, additional workers can only be withdrawn from the agricultural sector at higher costs, with near-term labor productivity. The margin of rural labor also gradually increased due to the withdrawal of ineffective labor. As a result, the marginal productivity of labor in agriculture comes into balance with the marginal productivity of labor in other production sectors, the wage level in agriculture moves towards equilibrium with the wage level in other production sectors, agricultural workers gradually no longer have the financial incentive to move. This result will end the process of labor migration from rural to urban areas.

With the above analysis and interpretation, it is possible to point out certain limitations in the "Dual Sector" model that Arthur Lewis proposed:

+ *Firstly*, this model assumes that the rate of labor attracted from the agricultural sector to industry corresponds to the rate of capital accumulated in this sector. This means that the higher the economic growth rate of the modern industrial sector, the higher the rate of new jobs. This is only true for unchanging technology, but in reality technology is constantly changing and equipping labor-saving technology will increase the growth rate in this area but the number of workers used will decrease, the employment rate decreased. Furthermore, in the new economy, there is no guarantee that capitalists will only gain profits when reinvested domestically; They can find the most profitable place to invest, such as investing abroad where investment prices are cheaper.

+ *Second*, the model assumes that rural areas have surplus labor while urban areas do not, while unemployment still occurs in urban areas in reality. In addition, rural areas can solve the labor surplus without going to the city.

Despite some limitations, Arthur Lewis's "Dual Sector" model has been successful in explaining the process of labor migration from rural to urban areas. Besides, the model also shows the trend of shifting economic structure to develop industry first, agriculture later and explains the inequality in income distribution in the early stages of the industrialization process.

### 1.2. Harris-Todaro's "Expected Income Model"

#### *\* Model introduction*

Two authors, John H. Harris and Michael Torado, from an economic approach, studied the phenomenon of accelerated rural-urban migration in the context of urban unemployment continuing to increase. Unlike Arthur Lewis's "Dual Sector" model, which explains the origin of migration based on the assumption of "labor surplus" in rural areas, Harris's "Expected Income" model - Todaro explains the decision of workers to migrate from rural to urban areas based on the difference in the expected income level in a certain period of time in urban areas with the average income level in the countryside. This implies that migration from rural to urban areas in the context of high urban unemployment rates, can be explained economically, if the expected income from urban areas is higher.

This model assumes that unemployment rate does not exist in the rural agricultural sector. In addition, it also assumes that the production market and labor market in agricultural and rural areas are perfectly competitive. As a result, the wages of rural agricultural workers equal the marginal productivity of agriculture. The model also assumes that equilibrium will be established when the expected wage in urban areas is equal to the marginal product of an agricultural worker. In the equilibrium state, the rate of labor from rural areas moving to urban areas will be zero when the expected income in rural areas is equal to the expected income in urban areas.

#### *\* There are two points to note in Harris-Todaro's "Expected Income Model"*

+ *First*, according to the two authors, migration in developing countries in Africa and Asia is characterized by migrants who are often young (about 15 to 25 years old) and mainly male, the rate of female mobility tends to increase with educational level. Immigration and education have a proportional relationship, with people with higher education moving more. Migrants may consider income over their lifetime or base their decision to migrate on a calculation of total income over a longer period. If this person finds that at first he has a low probability of having a job, but over time his contacts are gradually expanded and the possibility of finding a new job with a regular salary increases, then migration is still appropriate. Even in this case, the expected income in urban areas in the beginning may be lower than the income in rural areas. When the total expected benefit from migrating to urban areas of a migrant exceeds the expected loss of benefits if that person continues to live in the countryside, the decision to migrate is still chosen.

+ *Second*, the Harris - Todaro model allows explaining the reason why unemployment exists in urban areas in developing countries, and why people move to cities despite the existence of unemployment problems. To solve this problem, the Harris - Todaro model recognizes the existence of the informal economic sector (Informal Sector). It is an economic sector that includes activities that, while not strictly illegal, are often not officially recognized by society and most of which are not registered with the state. Such as family labor, freelance work, motorbike taxi, street vending, cutlery sharpening, sidewalk food service, scrap and scrap collection, shoe polishing, shandong mai martial arts, trading porn etc...

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The mass migration of rural workers exceeds the ability to create jobs in urban areas, resulting in many workers unable to find jobs in the formal economic sector and have to accept additions to the informal economic sector.

The presence of the informal economic sector helps explain why the unemployment rate in urban areas is high but there are still streams of people from rural areas flocking to urban areas looking for work. Because they are willing to add to the informal economic sector, where the money earned is still higher than staying in the countryside. Even if this migration creates unemployment in urban areas and leads to unexpected growth in the informal economy, this behavior is still considered economically rational because it maximizes utility under the conditions assumed by the Harris - Todaro model.

Therefore, overall, to control migration from rural to urban areas during the urbanization process, it is necessary to synchronously address all issues across all three economic areas, including: urban economic areas; informal urban economic sector and rural areas.

### *\* Model limitations:*

The Torado model still has limitations, the most obvious of which is the limitation in explaining the causes of migration when the two men believe that it is due to the income difference between rural and urban areas. This has led to an inadequate solution to the unemployment problem. At the same time, it also creates a paradox that the more urban employment expands and the higher urban wages increase, the more it encourages a higher migration rate, causing the unemployment rate in urban areas to increase, and leading to a decrease in agricultural output. However, despite the above limitations, Harris-Todaro's "Expected Income Model" is still widely applied in practice to forecast migration from rural areas - urban areas as well as migration between countries.

## **2. RESEARCH RESULT**

### **2.1. Basis for applying modern immigration theories to immigration management in Vietnam.**

In today's context of integration and globalization, labor migration has become one of the issues that need attention because of both positive and negative impacts on the economic structure. Recognizing the role of migration, countries are increasingly interested in migration management. Migration theories developed by researchers make an important contribution to helping countries develop policies to manage migration, including Vietnam.

#### **2.1.1. For domestic immigrants**

In Vietnam in recent years, along with the process of industrialization and modernization of the country, the pace of urbanization has also occurred extremely rapidly. The strong development of urban areas nationwide has led to an increasing concentration and speed of urban residents, especially the migration of rural workers into cities find a job. It is this flow of labor migration that has created prosperity for cities, but it also creates countless consequences that cities must suffer, such as unemployment, traffic congestion, lack of housing, poor environmental sanitation, lack of schools, lack of medical services, health care...

Besides, there are many internal and external factors that are affecting the rapid transformation of Vietnam's labor market. Specifically, (i) deeper integration processes by participating in a number of new generation Free Trade Agreements are expected to bring clear economic benefits to Vietnam in economic growth and job creation, (ii) significant technological advances stemming from the 4.0 Industrial Revolution are changing the characteristics of production and employment, (iii) climate change and environmental degradation may pose challenges to economic growth and employment; and (iv) demographic changes and population aging all affect the economy, employment and social issues. The law of supply and demand for labor, services, differences in living standards and income, social security conditions... has promoted migration flows between localities. The economic development of the country and some localities and regions has attracted a large number of immigrant workers from other localities. Migration patterns are also increasingly diverse and complex, and the scale of migration is increasing.

In the coming time, the process of industrialization and urbanization, especially the impact of the 4.0 industrial revolution, will pose huge challenges to the Vietnamese labor market. Properly recognizing migration rules so that effective measures can be taken to proactively control migration flows during the urbanization process is always a difficult problem, but at the same time is a burning desire of current macro policy makers and urban managers in Vietnam.

#### **2.1.2. For international immigrants**

In the current era, economic globalization is a prominent trend and has therefore become a fiercely competitive environment between countries worldwide. In general, economic globalization is the result of the outstanding development of the productive forces and in turn impacts to promote the development of finance, services, labor... Countries are connected to each other, creating increasingly free flows of capital, goods, services, labor, and technology within the region and globally, supporting every country's Socioeconomic growth more quickly.

Since then, the process of globalization and economic integration of each country has a profound impact on the international division of labor, the use of human resources and thereby promoting international migration, mainly labor migration. Globalization stimulates domestic demand for goods and consumption, creating more jobs for workers. Thus, economic globalization creates an increasingly profound division of labor on a global scale. This is a factor promoting the development of international migration

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flows, with the main characteristics being the flow of labor migration with certain professional qualifications and skills and the flow of studying abroad from poor and disadvantaged countries to rich, developed countries with more modern and advanced education, science and technology.

For Vietnam, the country's development after more than 35 years of innovation, along with the process of integration and opening up and international integration, has promoted demand and created conditions for Vietnamese citizens to work, study, travel, work and reside abroad. This trend is increasingly growing and diversifying. Along with the strong and abundant development of information technology and millions of Vietnamese people living and working abroad, it allows migrants in general and workers in particular to easily contact each other and employment contract. At the same time, the development of international traffic services facilitates travel at a much cheaper and more convenient cost than before, and is an important information channel promoting the international migration market of Vietnam, especially labor migration and study migration abroad.

Besides, the wage gap between Vietnam and richer countries is also an important factor promoting international migration. According to the report of the FULBRITH economic teaching program as well as the results of research projects on domestic migration and international migration, wages calculated based on purchasing power parity (PPP) are one of the important factors of "push" and "pull" in migration. Meanwhile, the income gap between Vietnam and many countries in the world and in the region is still very large. The difference in living standards and job opportunities with higher incomes in the country has motivated migrants to find new opportunities, even if only temporarily, abroad. Economic migration is the dominant type of migration, especially under conditions of globalization and economic freedom.

Globalization is creating strong international migration flows between countries, in which Vietnam's international migration is growing in both quantity and quality, requiring timely policies to effectively manage international migration.

### 2.2. Solutions for immigration management in Vietnam

#### 2.2.1. For international immigrants

International migration has had a certain impact on the socio-economic development of the country in general, of the locality in particular, and especially on the migrants themselves and their families. The law of supply and demand for labor, services, differences in living standards and income, social security conditions... has promoted migration flows from Vietnam to abroad. The country's development after more than 35 years of innovation along with the process of opening up and international integration has created conditions for Vietnamese citizens to work, study, travel, work and reside abroad. The number of Vietnamese people working, studying and living abroad has now reached many millions. The migration patterns of Vietnamese citizens are increasingly diverse and complex, and the scale of migration is increasing.

In order to promote legal migration, prevent illegal migration, and ensure good management and control of the positive and negative impacts of international migration on development in general and social development in particular, Applying immigration theories is extremely necessary to build scientific arguments to propose directions, policies, and solutions in the issue of immigration management, accordingly, the application and concretization of immigration theories need to focus on solving the following contents:

*Firstly, perfect Vietnam's system of policies and laws on international migration to gradually approach and integrate with international standards.*

Promoting legal migration and preventing illegal migration is a consistent policy of the Vietnamese government. The State has issued many policies on international migration drafted on the basis of reference to international law and regional countries contributing to Vietnam's international migration management, such as: Law on Vietnamese workers go to work abroad (Law No. 72/2006/QH11); Decree No. 126/2007/ND-CP dated August 1, 2007 of the Government detailing and guiding the implementation of a number of articles of the Law on Vietnamese workers working abroad under contracts and a series of normative documents related to this field have created a relatively complete legal framework, creating favorable conditions for activities of sending Vietnamese people to work abroad and clearly defining rights and benefits, responsibilities, obligations and prohibitions related to the above activities...

However, although the State has issued many legal documents related to international migration, in general the above documents are still inadequate and need to continue to be improved: For example: Most the remaining documents related to international migration are in the form of regulations, decisions, circulars... related to many ministries and branches, so the consistency is not high, the effect is scattered and the implementation is not consistent. Current migration policies pay little attention to gender issues and do not link gender equality with female migration issues in Vietnam. More clearly stipulate legal constraints and strengthen inspection and supervision of market transparency, recruitment, signing of contracts and implementation of obligations and responsibilities towards employees of enterprises sends workers to work abroad. It is necessary to legislate policies and have specific sanctions to properly manage foreign workers in Vietnam, perfecting the system of legal documents and sanctions related to foreign workers. It is necessary to build effective mechanisms, policies and management measures for international students...

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*Second, strengthen and innovate management, inspection, supervision, coordination and implementation of policies and laws on international migration*

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The work of inspection, examination, supervision and handling of violations in international migration needs to be clearly regulated and especially its serious implementation must be promoted.

Strictly handle organizations and individuals that violate the law in labor export, trafficking in women and children, illegal brokerage and illegal profiteering in marriages and families involving foreign elements; Dismantling criminal rings that traffic in people or send people to work illegally abroad. In fact, our handling of law violations in these areas is not serious, resolute, or timely, so it has no deterrent effect.

At the same time, strengthen control of border gates to detect illegal smuggling of people abroad.

It is necessary to increase the level of penalties to increase deterrence and publicize the identities of foreign contractors who violate the law on illegal use of foreign workers in Vietnam. Inspectors of the Ministry of Labor, War Invalids and Social Affairs and the Departments of Labor, War Invalids and Social Affairs of Ninh Binh, Thanh Hoa, Lam Dong, Dak Nong... have inspected and discovered many violations in the use of foreign workers at construction sites, but the level of punishment is quite light so the deterrent is not high.

*Third, have policies to strengthen migrant protection and better integration for migrants after returning to their homeland.*

Migrant protection policy: It is necessary to adjust appropriate recruitment practices and reduce the cost of recruiting workers to work abroad; Improve the effectiveness of training, orientation education and provide better information and training services before migration; Publicly transparent information on the labor recruitment market, training... for migrants; Stipulate specific tasks of relevant ministries, branches and local governments to protect the legitimate rights and interests of Vietnamese citizens during the process of migrating abroad, including: before leaving the country - coming, living and working abroad - repatriation and reintegration; Actively participate in international conventions on migrants to protect their legitimate rights and interests.

Better integration for returnees: Implement social protection policies, combat stigma and discrimination after return; Create a favorable environment and conditions for investment and development activities after returning to the homeland; When migrants return, appropriate policies are needed to exploit their acquired skills to benefit national and local economic sectors; Have specific policies, programs and projects to create favorable conditions for migrants in general and for returning workers in particular to advance in their jobs.

*Fourth, international cooperation on law and solving problems arising in international migration.*

The protection of the legal rights of Vietnamese citizens abroad as well as foreign workers working in Vietnam has been consistently affirmed in many legal documents of the State of Vietnam. But reality requires Vietnam to constantly cooperate internationally on: law, bilateral and multilateral relations with international organizations, and with countries around the world to manage, organize and resolve problems effectively effective positive and negative impacts of Vietnam's international migration patterns.

Vietnam needs to continue to promote negotiation and signing of mutual legal assistance agreements on criminal, commercial, civil and marriage-family matters with relevant countries to better ensure rights and interests of citizens as well as assisting citizens when encountering difficulties and tribulations abroad. This is the basis for countries to jointly agree to apply optimal solutions to support and protect their citizens.

Vietnam also needs to consider and participate more proactively, actively and fully in multilateral international treaties related to various types of migration, especially labor migration, to better manage this type of migration serves the training and development of human resources for the country.

To effectively prevent illegal migration, encourage legal migration, safe migration, effectively promote the impacts of migration and limit the negative impacts of migration. International cooperation is needed to improve migration management capacity, find causes and solutions to contribute to solving the root causes of illegal migration and the negative impacts of international migration and improve the quality of life of migrants.

### **2.2.2. For domestic immigrants**

Migration is an inevitable trend and a positive driving force for socio-economic development, meeting labor needs in the process of economic restructuring. However, migration will also increase infrastructure needs at destinations and create social problems in both destinations and destinations, especially for women. Therefore, to manage migrant workers, the following solutions need to be implemented:

*Firstly*, socio-economic development policies and strategies, regional and local development plans and plans need to take into account the migrant population in relation to urbanization to promote the contribution of the migrant population for the development of both origin and destination areas as well as ensuring the interests of migrants and their families. Budget allocation to localities needs to be linked to the actual number of people living in the locality, including temporary residents.

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*Second*, integrate gender factors in migration into the process of making strategies and plans for local medium-term and annual socio-economic development to ensure that cities do not simply continue to absorb more rural migrants, but instead ensure that urban residents, whether native or immigrant, have access to adequate and supportive employment opportunities and protect society and public services.

Social security policies also need to take into account migration factors, and support migrants in accessing forms of social housing, creating conditions for migrant children to have the opportunity to access education, especially middle and high school education, contributes to stabilizing the lives of migrants. Prioritize supporting women in creating job opportunities and vocational training to gradually reduce female unemployment and increase the proportion of female workers in skilled jobs. Strengthen the provision of appropriate sexual health, reproductive health and life skills counseling and services to the large young immigrant population in immigration areas, especially women of childbearing age.

*Third*, in addition to investing in large cities to respond to migration pressure to develop urban infrastructure and social services, there needs to be appropriate investment policies for small cities and rural areas to create balanced development and reduce pressure on large cities in terms of employment and social security. Organize vocational training courses, improve qualifications, transfer skills, safety skills, etc. through lifelong learning programs so that workers can find jobs in small or large urban areas, or is an important luggage for them when deciding to migrate elsewhere. Organize forms of consulting support, provide labor and employment information, career counseling, job introduction, organize training and job search skills, work locally and at other localities help workers better orient their migration decisions.

Organize forms of consulting support, provide labor and employment information, career counseling, job introduction, organize training and job search skills, work locally and at other localities help workers better orient their migration decisions.

*Fourth*, it is necessary to continue to conduct specialized surveys on migration to collect complete information on migrant population groups, including short-term migration, to serve planning and policy development for this population group. Organize, survey, investigate, and forecast well the demand for migrant workers to build and integrate it into the local socio-economic development plan, and share local labor demand information with other localities, and at the same time receive information on labor needs of localities wishing to receive immigrant workers to communicate and inform workers to make migration decisions.

### 3. CONCLUSION

Migration is an objective requirement in the market economy in Vietnam, the clearest manifestation of uneven development between regions, regions and territories. In each different historical period, the intensity and method of migration are also different. These will have a great impact on labor resources as well as new social problems that arise. In addition, migration trends and the impact of migration on urbanization and socio-economic development will also be emerging issues in the near future. Managing the migration issue well is a difficult problem in the current situation. If done well, it will be an important source of motivation for economic development and social stability, making Vietnam a developed country as goals set by the 13th Party Congress.

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